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24 December 1980

MEMORANDUM FOR: Executive Committee Members

FROM : [REDACTED]
Special Assistant to the Deputy Director

SUBJECT : Minutes of Executive Committee Meeting, 8 December 1980:
Compensation for Overseas Personnel [REDACTED]

1. The Executive Committee met on 8 December 1980 to consider a proposal for an overseas compensation scale. Mr. Carlucci chaired the session. Other participants include Messrs. Dirks (DDS&T); McMahon (DDO); Clarke (D/NFAC); Wortman (DDA); Hart (ADDA); Lipton (Comptroller); Silver (GC); Briggs (IG); Hineman (DD/NFAC); Stein (ADDO); Sherman (D/OF); and [REDACTED] (OLC). [REDACTED]

2. Mr. Fitzwater reviewed a task force proposal for an overseas compensation scale. He explained that the scale was constructed to attain comparability with the new Foreign Service Salary Scale of 1980. The task force also suggested, however, a minimum increase of \$2,050 for GS-4 - GS-9 employees to recognize the broader and more complex range of functions they perform compared to their Foreign Service counterparts overseas. (The Foreign Service provided only minimum salary increases for many of its lower graded employees.) Employees would revert to the GS scale on return to the United States. [REDACTED]

3. The ensuing discussion focused on the comparability of the proposed pay scale with the new Foreign Service Salary Scale, the problems of providing adequate compensation for lower graded employees who often perform functions overseas above those at their grade levels, and potential cost of the proposed pay scale, and strategies for defending the proposal to OMB and Congress. The Committee reached a consensus favoring an overseas pay scale providing a 10.16 percent pay increase--the average amount of the increase provided by the new Foreign Service Salary Scale--to all employees serving overseas. Employees will revert to the General Schedule when returning to the United States. Mr. Briggs emphasized the importance of a strong education campaign on the latter point. Mr. Fitzwater noted that the Agency can also implement the new allowances included in the Foreign Service legislation in February 1981. Mr. Lipton explained the difficulties that will be involved in finding funds for those allowances. Regarding funding and implementation of the overseas compensation pay scale, Mr. Lipton suggested implementation the first pay period in April 1981 if the Agency's supplemental budget request has cleared

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Congress, or, if not, the first full pay period in July. If necessary, a Comptroller's meeting could be held to identify sources for funding. Throughout the discussion, Mr. McMahon emphasized the importance of providing some financial relief as soon as possible to employees serving overseas. [REDACTED]

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4. Regarding the contentions implied in the proposal and mentioned during the discussions that CIA overseas employees should be paid more--as opposed to comparably--than the State Department Foreign Service because of the greater demands on them, Mr. Carlucci suggested this was a different problem than pay comparability and should be treated separately. He noted that more persuasive arguments would be required as State believes otherwise, and the solution to that problem might necessitate a complete revision of the existing pay scales. [REDACTED]

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5. Mr. Carlucci asked Mr. Fitzwater to revise the proposal, emphasizing that the goal was to obtain comparability with the Foreign Service. Other points that should be incorporated include the 10.16 percent salary increase for all overseas personnel; the reversion to the GS salary scale when employees return to this country; justification for applying the 10.16 average across the board; and intentions to implement the new Foreign Service allowances at the same time the Foreign Service does (February 1981). Mr. Fitzwater noted that the Committee's revised proposal would cost about \$80,000 less than the one he presented. [REDACTED]

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6. Mr. Carlucci adjourned the meeting. [REDACTED]

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